

Opinion

Big money behind war: the military-industrial complex

More than 50 years after President Eisenhower's warning, Americans find themselves in perpetual war.



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In January 1961, US President Dwight D Eisenhower used his farewell address to warn the nation of what he viewed as one of its greatest threats: the military-industrial complex composed of military contractors and lobbyists perpetuating war.

Eisenhower warned that “an immense military establishment and a large arms industry” had emerged as a hidden force in US politics and that Americans “must not fail to comprehend its grave implications”. The speech may have been Eisenhower’s most courageous and prophetic moment. Fifty years and some later, Americans find themselves in what seems like perpetual war. No sooner do we draw down on operations in Iraq than leaders demand an intervention in Libya or Syria or Iran. While perpetual war constitutes perpetual losses for families, and ever expanding budgets, it also represents perpetual profits for a new and larger complex of business and government interests.

The new military-industrial complex is fuelled by a conveniently ambiguous and unseen enemy: the terrorist. Former President George W Bush and his aides insisted on calling counter-terrorism efforts a “war”. This concerted effort by leaders like former Vice

President Dick Cheney (himself the former CEO of defence-contractor Halliburton) was not some empty rhetorical exercise. Not only would a war maximise the inherent powers of the president, but it would maximise the budgets for military and homeland agencies.

This new coalition of companies, agencies, and lobbyists dwarfs the system known by Eisenhower when he warned Americans to “guard against the acquisition of unwarranted influence... by the military-industrial complex”. Ironically, it has had some of its best days under President Barack Obama who has radically expanded drone attacks and claimed that he alone determines what a war is for the purposes of consulting Congress.

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Good for economy?

While few politicians are willing to admit it, we don't just endure wars we seem to need war – at least for some people. A study showed that roughly 75 percent of the fallen in these wars come from working class families. They do not need war. They pay the cost of the war. Eisenhower would likely be appalled by the size of the industrial and governmental workforce committed to war or counter-terrorism activities. Military and homeland budgets now support millions of people in an otherwise declining economy. Hundreds of billions of dollars flow each year from the public coffers to agencies and contractors who have an incentive to keep the country on a war-footing – and footing the bill for war.

Across the country, the war-based economy can be seen in an industry which includes everything from Homeland Security educational degrees to counter-terrorism consultants to private-run preferred traveller programmes for airport security gates. Recently, the “black budget” of secret intelligence programmes alone was estimated at \$52.6bn for 2013. That is only the secret programmes, not the much larger intelligence and counterintelligence budgets. We now have 16 spy agencies that employ 107,035 employees. This

is separate from the over one million people employed by the military and national security law enforcement agencies.

The core of this expanding complex is an axis of influence of corporations, lobbyists, and agencies that have created a massive, self-sustaining terror-based industry.

The contractors

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In the last eight years, trillions of dollars have flowed to military and homeland security companies. When the administration starts a war like Libya, it is a windfall for companies who are given generous contracts to produce everything from replacement missiles to ready-to-eat meals.

In the first 10 days of the Libyan war alone, the administration spent roughly \$550m. That figure includes about \$340m for munitions – mostly cruise missiles that must be replaced. Not only did Democratic members of Congress offer post-hoc support for the Libyan attack, but they also proposed a permanent authorisation for presidents to attack targets deemed connected to terrorism – a perpetual war on terror. The Department of Homeland Security (DHS) offers an even steadier profit margin. According to Morgan Keegan, a wealth management and capital firm, investment in homeland security companies is expected to yield a 12 percent annual growth through 2013 – an astronomical return when compared to other parts of the tanking economy.

The lobbyists

There are thousands of lobbyists in Washington to guarantee the ever-expanding budgets for war and homeland security. One such example is former DHS Secretary Michael Chertoff who pushed the

purchase of the heavily criticised (and little tested) full-body scanners used in airports. When Chertoff was giving dozens of interviews to convince the public that the machines were needed to hold back the terror threat, many people were unaware that the manufacturer of the machine is a client of the Chertoff Group, his highly profitable security consulting agency. (Those hugely expensive machines were later scrapped after Rapiscan, the manufacturer, received the windfall.)

Lobbyists maintain pressure on politicians by framing every budget in “tough on terror” versus “soft on terror” terms. They have the perfect products to pitch – products that are designed to destroy themselves and be replaced in an ever-lasting war on terror.

The agencies

It is not just revolving doors that tie federal agencies to these lobbyists and companies. The war-based economy allows for military and homeland departments to be virtually untouchable. Environmental and social programmes are eliminated or curtailed by billions as war-related budgets continue to expand to meet “new threats”.

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With the support of an army of lobbyists and companies, cabinet members like former DHS Secretary Janet Napolitano, are invincible in Washington. When citizens complained of watching their children groped by the TSA, Napolitano defiantly retorted that if people did not want their children groped, they should yield and use the unpopular full-body machines – the machines being sold by her predecessor, Chertoff.

It is not just the Defense and DHS departments that enjoy the war windfall. Take the Department of Justice (DOJ). A massive counterterrorism system has been created employing tens of thousands of personnel with billions of dollars to search for domestic terrorists. The problem has been a comparative shortage of actual terrorists to justify the size of this internal security system.

Accordingly, the DOJ has counted everything from simple immigration cases to credit card fraud as terror cases in a body count approach not seen since the Vietnam War. For example, the DOJ claimed to have busted a major terror-network as part of “Operation Cedar Sweep”, where Lebanese citizens were accused of sending money to terrorists. They were later forced to drop all charges against all 27 defendants as unsupportable. It turned out to be a bunch of simple head shops. Nevertheless, the new internal security system continues to grind on with expanding powers and budgets. A few years ago, the DOJ even changed the definition of terrorism to allow for an ever-widening number of cases to be considered “terror-related”.

Symbiotic relationship

Our economic war-dependence is matched by political war-dependence. Many members represent districts with contractors that supply homeland security needs and our on-going wars.

Even with polls showing that the majority of Americans are opposed to continuing the wars in Iraq and Afghanistan, the new military-industrial complex continues to easily muster the necessary support from both Democrats and Republicans in Congress. It is a testament to the influence of this alliance that hundreds of billions are being spent in Afghanistan and Iraq while Congress is planning to cut billions from core social programmes, including a possible rollback on Medicare due to lack of money. None of that matters. It doesn't even matter that Afghan President Hamid Karzai has called the US the enemy and said he wishes that he had joined the Taliban. Even the documented billions stolen by government officials in Iraq and Afghanistan are treated as a mere cost of doing business.

It is what Eisenhower described as the “misplaced power” of the military-industrial complex – power that makes public opposition and even thousands of dead soldiers immaterial. War may be hell for some but it is heaven for others in a war-dependent economy.

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testified in Congress on the massive counter-terrorism budgets and bureaucracy in the United States.



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